

LOUISIANA AGRICULTURAL FINANCE AUTHORITY (LAFA)

MINUTES

June 22, 2012

10:00 AM

Veterans Memorial Auditorium

5825 Florida Boulevard

Baton Rouge, LA 70806

CALL TO ORDER

The meeting was called to order by the Chairman, Louisiana Department of Agriculture and Forestry (LDAF) Commissioner Mike Strain at 10:00 AM.

ROLL CALL

The roll was called by Melanie Tullier.

Present: Commissioner Strain, Ted Gauthier, Richard Muller, H. Marcell Parker, Jr., and Linda Zaunbrecher

Absent: William Hawkins and Jerry Hunter

Mrs. Tullier stated five members were present and there was a quorum.

Others Present: René Simon, LDAF; Dane Morgan, LDAF; Pete Rudesill, LDAF; Melanie Tullier, LDAF; Melanie Barnett, LDAF; Corinne Brousseau, LDAF; Catrina Irvin, LDAF; Kevin Finley, LDAF; Arthur Mann, Berrigan Litchfield Schonekas Mann Traina LLC; Kathy Turregano, Berrigan Litchfield Schonekas Mann Traina LLC; Charles Wendt, Legislative Auditor's Office; Tracy Morganti, Adams & Reese; and William Stutts

PUBLIC COMMENTS

There were no public comments.

APPROVAL OF MINUTES FROM PREVIOUS MEETING

Commissioner Strain asked the Authority members to review the minutes from the March 23, 2012, meeting.

Motion: A motion was made by Mr. Muller to approve the minutes from the March 23, 2012, meeting. It was seconded by Mr. Gauthier and passed unanimously.

REVIEW OF FINANCIAL STATEMENTS

Mrs. Catrina Irvin, Ms. Corinne Brousseau, and Mr. René Simon presented LAFA's Financial Statement to the board and answered any questions the members may have had.

Motion: A motion was made by Mr. Parker to accept the Financial Statements. It was seconded by Mrs. Zaunbrecher, and passed unanimously.

COMMISSIONER'S REPORT

- Commissioner Strain, Mr. Simon, and Mrs. Barnett gave an update on the Louisiana Farm and Agribusiness Loan and Grant Recovery Programs. Mrs. Barnett stated that LAFA is currently in the second year of repayments, as so far only 14 farmers have been placed in bankruptcy, and three have been discharged. Her staff is currently in the process of reviewing each file for accuracy of how the loan/grant was used.
- Mr. Rudesill updated the members on the status of the hardening of the main building. He stated that the total project is near 65% complete.
- Mr. Rudesill updated the members on the sewerage upgrade at Indian Creek. We are currently waiting on the Rapides Parish Board of Health to approve the plans for the Indian Creek Recreation Area sewerage upgrade. We are working with Senator Long to expedite the status.
- Mr. Simon updated the board on South Louisiana Rail Facility. The project is nearing completion and is expected to begin purchasing rice by September 1st. The design work on the rail upgrade is almost complete. Once complete it must go to BNSF for approval.

OLD BUSINESS

Discussion and strategy on the pending lawsuit involving LAFA

Texans Credit Union v. LDAF, Louisiana 19th JDC, East Baton Rouge Parish, Docket No. 583476

A motion was made by Commissioner Strain to move into executive session. A roll call vote was held and the motion was unanimously passed. Executive session went into effect at 10:32 AM.

A motion was made by Mr. Muller to return to regular session at 12:09 PM. It was seconded by Mr. Parker and approved unanimously.

A motion was made by Mrs. Zaunbrecher that LAFA not appeal the judgment of May 15, 2012. It was seconded by Mr. Gauthier, and approved unanimously.

Lake Charles Cane, LLC's Default on payment owed to LAFA, Whitney Bank (formerly Hancock Bank)/Merrill Lynch, and Jeff Davis Bank

A motion was presented by Mr. Parker that LAFA, through its counsel, offer Lake Charles Cane Lacassine Mill, L.L.C. ("LCC") a Partial Dation en Paiement, accepting the surrender of full ownership of the collateral subject to LAFA's security interest, in exchange for a partial release of the debt due to LAFA and with reservation of LAFA's rights to seek a deficiency judgment; and if LCC does not accept said offer within 15 days from LCC's receipt thereof, LAFA take such action as is appropriate to enforce its security interests and collect the full amount of the debt owed. It was seconded by Mrs. Zaunbrecher, and approved unanimously.

A motion was presented by the Mr. Parker to give the Commissioner the authority to make a payment to Jeff Davis Bank on behalf of LAFA as guarantor by the appropriate date. It was seconded by Mr. Gauthier, and approved unanimously.

A motion was made by Mr. Muller to give the Commissioner the authority to make a payment on behalf of LAFA as guarantor to Merrill Lynch by September 15, 2012, to keep the agreement current. It was seconded by Mrs. Zaunbrecher, and passed unanimously.

NEW BUSINESS

LAFA 2012 – 2013 Annual Budget

The 2012 – 2013 annual budget was presented to the board by Mr. Simon and Mrs. Irvin. A motion was made by Mr. Parker to accept the budget. It was seconded by Mr. Gauthier, and approved unanimously.

Delinquent Payments owed to LAFA from Louisiana Farm and Agribusiness Loan and Grant Recovery Program Recipients

Mrs. Barnett presented to the board a list of 15 recipients who owed delinquent payments. She discussed the opportunity that each recipient was given in order to stay up to date on his/her file. A motion was made by Commissioner Strain to proceed to turn the delinquent files over to OCD with in two weeks. It was seconded by Mr. Muller, and approved unanimously.

ADJOURNMENT

A motion was made by Mr. Parker to adjourn the meeting. It was seconded by Mr. Muller and approved unanimously.